

3/6/21

Mr. Chairman and members of the committee, my name is Jeff Albers. I am the General Sales Manager at Schwan Buick, GMC, Cadillac, and I am here to testify in support of this bill. I would like to describe a couple situations we have experienced to emphasize why we as a vehicle repair shop need this bill passed.

In February 2019, we serviced a customer's vehicle that required approximately \$6,000 worth of repairs. The retail value of the vehicle was around \$8,000. We told the customer what the repairs would consist of, and the customer approved the repairs and asked us to fix their vehicle. After we fixed the vehicle, we notified the customer that it was ready for pickup. They never responded. Over the course of time, we sent out 60, 90, and 120 plus day past due notices, asking the customer to come and get their vehicle. The customer finally communicated with us and decided that they did not want to pay for the repairs. Instead, they were going to abandon the vehicle with us and walk away from it. The customer also said they had a bank loan and were not going to pay that either.

Our next step was to contact the bank to see when they would be repossessing the vehicle and to let them know we had a Repairman's Lien on the vehicle that needed to be satisfied. We told the bank that they can pay the repair bill and take the vehicle. The bank, after doing the calculations, decided that it was not worth it for them to repossess the vehicle and abandoned it with us as well.

Other than suing the customer, there were no more options for us to recover our losses on the vehicle that both the customer and the bank abandoned. We were left with a \$6,000 repair bill, many hours of work trying to collect on this repair, and a vehicle that was essentially worthless because we could not get a title.

I could give many other examples that underline our need for this bill. Sometimes, a customer's car stops running, and they ask us to tow their vehicle into our shop for repair. We do not have a tow truck, so we hire the towing company to pull the vehicle into our shop. We then diagnose the problem and inform the customer what the repair will consist of. Depending on the repairs, the cost can approach the value of the vehicle, but the customer approves the work anyways. The problem is that the customer later decides they no longer want to put that money into the vehicle and they abandon the car with us. We are now stuck with both the towing bill and the repair bill. HB 1366 helps to clarify that **transportation is part of the repair process** and should be recoverable under the current Repairman's lien law.

With this legislation, repair shops like ours will be able to provide an opportunity for both the customer and the bankers to come, pay the repair bill, and take the vehicle...or, if they all choose to abandon the vehicle with us, we can sell the vehicle, pay our repair bill, and then turn over the remaining sales proceeds to the lender or owner according to priority.

Mr. Chairman, thank you very much for the opportunity to testify.

Jeff Albers
Schwan Buick, GMC, Cadillac